



STATUS OF MWRA BUDGETS

Through October 1996

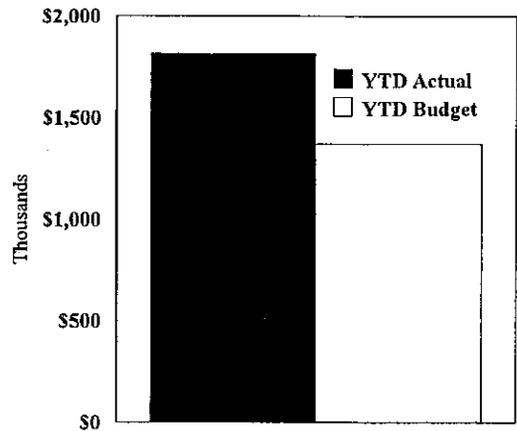
FY97 Current Expense Budget

For the first third of the fiscal year, spending came to \$115.7 million or 2.2% below the \$118.3 million budgeted for the period. Direct expenses reached \$54.3 million or 3% below the \$56.2 million budgeted. For the month of October, total current expenses were \$28.5 million or 3.4% below the \$29.5 million budgeted. Direct expenses for the month at \$13.5 million were less than 1% below the \$13.6 million budgeted.

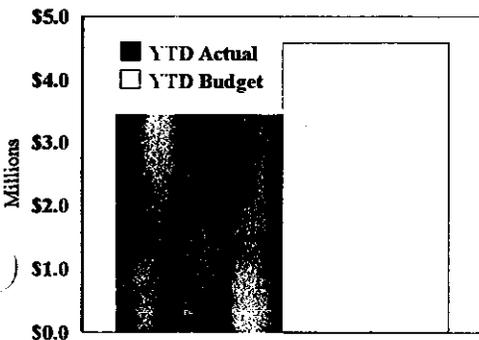
Spending on *Wages and Salaries* through the month of October reached \$26.1 million, within 2.4% or \$0.65 million of the \$26.8 million budgeted for the period. Accruals for the first third of the year are 31.6% of the total budgeted for the year.

Overtime spending has grown to \$1.8 million or 32% over the \$1.37 million budgeted for the year to date; this puts spending one-third through the year at 45% of the amount budgeted for the full year. Extreme wet weather conditions during the month of October pushed spending to levels just over 50% greater than the amount budgeted for the month, particularly for the Wastewater Transport Department. Also contributing to higher levels of spending in the Sewerage Division were the need to provide coverage for vacant positions and community assistance projects. Above-budget spending in Waterworks Operations continued, most notably to cover 24-hour shift operations. Unbudgeted uses of Overtime have included coverage of Pumping positions eliminated in anticipation of the planned reorganization, staffing at the new Interim Corrosion Control (ICC) facility until the proper security systems and required sample line are installed, and coverage for employees out on leave.

OVERTIME
32.2% YTD Variance



CHEMICALS
(24.9%) YTD FY97 Variance



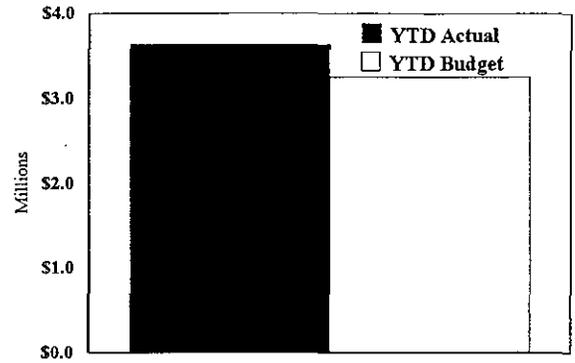
Spending on *Chemicals* for the year to date is \$1.1 million or 25% below the amount budgeted. Nearly half the variance was the result of less than planned spending for chemicals testing at Deer Island, part of the pre-treatment program to address unexpectedly high levels of hydrogen sulfide at the new plant. Waterworks' plan to increase the chloramine dosage and improve the chlorine/ammonia ratio for primary disinfection has been postponed due to DEP's questions concerning the effectiveness of disinfection without free chlorine. Chemical use at the ICC has been held constant as the MWRA evaluates the initial operating results for the pH and alkalinity adjustments. Additional carbon dioxide will be required to buffer alkalinity while pH levels are increased more gradually than earlier planned.

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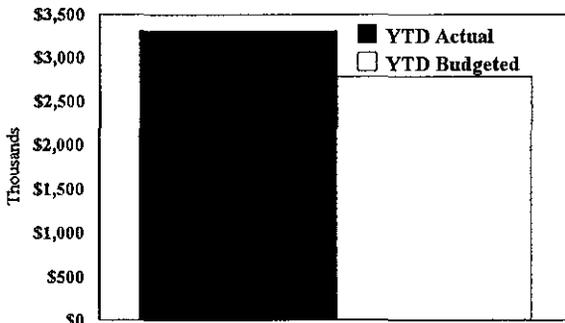
Utilities spending, at \$5.2 million is now just over the amount budgeted for the year to date. Lower than expected accruals for diesel fuel (the result of available FY96 inventory) were more than offset by electricity expenses that were 36% greater than the month's budget and nearly 12% greater than expected for the year to date. Electricity costs have been greater than budget for each of the last three months. Unusually heavy rains, higher than average flows, pump testing, and the availability of increased pumping capacity pushed power usage at Deer Island to higher than budgeted levels for the second straight month.

ELECTRICITY
11.6% YTD FY97 Variance



Spending on *Professional Services* is nearly \$350,000 or 16% below budgeted amounts for the year to date, primarily because BECo training was delayed and services related to the thermal/back-up power facility were not required to the extent planned.

PELLETIZATION AND LANDFILL USE CHARGE
18.8% YTD FY97 Variance



* % increase calculated by adding the YTD line item figures for Sludge Pelletization and Landfill Use Charges.

Other Services expenses were \$565,000 or 8% greater than budgeted. The Authority reports that the pace of overspending decreased from September when year to date spending was 18% over budget. Sludge pelletization expenses were on budget for October, and all sludge was pelletized, so that landfill charges were not incurred. However, greater than budgeted sludge quantities in previous months plus problems with pellet quality and uniformity have resulted in spending of \$3.3 million for the first four months of the fiscal year, nearly \$525,000 over the budgeted amount.

Actual and Budgeted Direct Expenses

May 1996 - October 1996

